



All-State Medicaid and CHIP Call September 26, 2023



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Agenda

- Streamlining Medicaid; Medicare Savings Program Eligibility and Enrollment
- Open Mic Q and A

Streamlining Medicaid; Medicare Savings Program Eligibility and Enrollment

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Backdrop to Rule

The Eligibility & Enrollment NPRM is being finalized in two parts. The first final rule, which we will be discussing today addresses the MSP portions of the NPRM.

Enrollment in MSPs

- MSPs improve access to health care while freeing up already limited income for food, housing, and other life necessities.
- Yet, a 2017 study conducted for the Medicaid and CHIP Payment and Access Commission (MACPAC) estimated that only about half of eligible individuals were enrolled in MSPs.
- Certain policies continue to result in unnecessary administrative burden and create barriers to enrollment and retention of coverage for eligible individuals.

Executive Orders

- E.O. 14009- Strengthen Medicaid and the Affordable Care Act and remove barriers to obtaining coverage for the millions of individuals who are potentially eligible.
- E.O. 14070- Help more Americans enroll in quality health coverage.
- E.O. 14058- Supports streamlining state enrollment processes to ensure eligible individuals are automatically enrolled in critical benefit programs.

Burden Reduction and State Options

Overall burden reduction in the final rule:

- Estimated to reduce overall state burden through administrative savings by over 2 million hours per year.
- Upfront investments in systems and training needed to implement the regulation, but states will ultimately see long term burden reduction dwarf the immediate administrative costs.
- Burden reduction from states not needing to make eligibility determinations for SSI recipients entitled to Medicare.
- Burden reduction from states using electronic information and leads data, instead of paper documents to make eligibility determinations.

State options to further reduce burden:

- Under section 1902(r) authority:
 - Fully align MSPs with LIS methodologies so leads data can be used to provide all financial information necessary for enrollment.
 - Effectively align MSP income and resource limits with increased LIS limits starting January 2024 per the Inflation Reduction Act by disregarding otherwise countable income and resources in MSP eligibility determinations.
 - Disregard all assets for MSPs or disregard a subset of assets that are particularly difficult to obtain (e.g., life insurance).
- Execute a Part A buy-in agreement with CMS to eliminate complicated two step conditional enrollment process, allow year-round QMB enrollment, and yield potential savings.

Automatically Enroll Certain Supplemental Security Income Recipients into the Qualified Medicare Beneficiary Group (§ 435.909)

- Current: Supplemental Security Income (SSI) recipients entitled to Medicare are always financially eligible for the Qualified Medicare Beneficiary (QMB) MSP eligibility group, but over 500k are not enrolled.
- Proposed: Require states to deem most SSI recipients entitled to Medicare in mandatory SSI group or 209(b) group into the QMB group.
 - **Exception**: Deeming would be optional for states that do not have a Part A buy-in agreement with CMS (“group payer states”)
- Final: Same as proposed, except modified compliance date of October 1, 2024.

Facilitates enrollment of individuals known to be eligible for the MSPs

Facilitate QMB Enrollment in Group Payer States by Requiring Earliest QMB Effective Date (§ 406.21)

- Current: In group payer states, QMB coverage for individuals who enroll in actual or conditional Part A during the Medicare general enrollment period (January through March) begins as early as the month Part A entitlement begins (i.e., month after enrollment).
- Proposed: Clarifies and codifies current policy.
- Final: Same as proposed.

Maximizes assistance with Medicare premiums and cost-sharing.

Facilitate Enrollment in the Medicare Savings Programs Using Part D Low-Income Subsidy Data (42 CFR §§ 435.4, 435.601, 435.911, and 435.952)

- Current: Most individuals eligible for the full-subsidy Low-Income Subsidy (LIS) for Medicare Part D meet the eligibility requirements for a MSP eligibility group, but over 1 million such LIS recipients are not enrolled in the MSPs.
- Proposed: Streamline enrollment for individuals in LIS into the MSPs and simplify enrollment for all MSP applicants.
 - Codify statutory requirement that states initiate MSP applications using LIS application data
 - Encourage states to adopt targeted income and resource disregards, to fully align LIS and MSP financial methodologies, including disregards for:
 - Dividend and interest income
 - Value of non-liquid resources
 - Burial funds
 - Cash value of life insurance

Facilitate Enrollment in the Medicare Savings Programs Using Part D Low-Income Subsidy Data (§§ 435.4, 435.601, 435.911, and 435.952)

- Proposed: Streamline LIS enrollment into the MSPs (cont.)
 - Generally requires states to accept LIS leads data without further verification and deem full-subsidy LIS recipients as eligible for MSPs if income and resource methodologies are aligned
 - Accept self-attestation of income and resources counted for MSPs but not counted for LIS, with an option for post-enrollment verification
 - Define family size in MSPs to be no less than the LIS definition: the applicant, the applicant’s spouse, and certain other financially-dependent relatives living in the same household
 - Require full Medicaid screen for LIS applicants.
- Final: Same as proposed, except:
 - Change to full Medicaid eligibility screening proposal. States must provide individuals with information on full Medicaid eligibility and an opportunity to furnish such additional information necessary for a full Medicaid eligibility determination in addition to and separate from requests for additional information on MSPs.
 - Modified compliance date of April 1, 2026.

Facilitates alignment of LIS and MSP eligibility and enrollment and maximizes assistance with Medicare premiums and cost-sharing

Verification Safeguards in Final Rule

- Reasonable compatibility - states must reach out to individuals if information returned from electronic sources is not reasonably compatible with information either in LIS data or attested to by applicant.
- Post-enrollment verification option - states may require individuals to produce documentation of income and resources that are counted by the MSPs but not LIS.
- No enrollment errors based on leads data or self-attestation. If state enrolls individual based on this information and individual is later determined to be ineligible, CMS does not consider it an error for purposes of PERM or MEQC or other audits.

Implementation Timeframe

In considering the timeframe for complying with all provisions in final rule, we:

- Recognized ongoing state work to unwind from the continuous enrollment condition effective during the COVID-19 public health emergency
- Sought to balance implementation of new requirements with the 12-14 month unwinding period, new requirements by the Consolidated Appropriations Act, 2023, systems and operations.

Compliance dates:

- Optional provisions and new requirements - States can adopt upon final rule's effective date.
- Leads data provisions - Full compliance by April 1, 2026.
- Deeming SSI recipients entitled to Medicare into QMB - Compliance by October 1, 2024.
- Earliest QMB effective date in group payer states – Compliance by April 1, 2026.

Other Additional Information

- **Publication:** Final Rule Publication Date: **September 21, 2023**
<https://www.federalregister.gov/documents/2023/09/21/2023-20382/streamlining-medicaid-medicare-savings-program-eligibility-determination-and-enrollment>
- **Updated descriptions of LIS data elements:**
<https://www.ssa.gov/dataexchange/documents/LIS%20record.pdf>
- **Future updates:** Stay tuned for updates to buy-in manual.
- **Questions and technical assistance requests:** Please contact modernizethemsp@cms.hhs.gov.

Questions
